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To: Employers, Payroll Processors and Software Developers Who Submit Forms
941ME or 941ME-C/1 on Magnetic Media

RE: Implementation of ICESA Bulk File Upload System

Maine Revenue Services is in the process of replacing its magnetic media filing system for quarterly returns (Forms 941-ME and 941/C1-ME). The new system will require ICESA files to be uploaded via Maine Revenue Service's web site, thereby eliminating the need to ship files via magnetic media.

Notices were issued last fall stating that employers and payroll processors who file on magnetic media and wish to continue filing using the Maine ICESA format would be required to begin using the new electronic upload process to file returns for the first quarter of 2006, due by April 30, 2006. However, a number of payroll processors and employers have indicated that it will be difficult, if not impossible, to complete the necessary programming changes within this timeframe. Consequently, MRS has revised its implementation plan as follows:

1. The ICESA upload system is expected to be implemented by April 15, 2006. The system will be capable of processing files, but it is primarily intended to allow users to be able to test files to ensure that they comply with the specifications and will be able to pass system edits. This test period will continue until June 30, 2006.
2. The system will contain edits to ensure that files conform to specifications and to ensure data quality. A file that cannot pass these edits will be rejected and will receive error messages identifying the reasons why it failed. Initially, the error notices may not be detailed enough to allow transmitters with large files to locate problems. Consequently, MRS expects that many employers and payroll processors may encounter some difficulty passing these edits. MRS will work with employers and payroll processors testing their files to assist them with identifying issues and bringing their files into conformity. Modifications to the error messages will be made as needed during the test period to provide more detail about the location of errors within the file. No substantial changes are expected to the file specifications. For more information about testing files, see the upload instructions referred to below.

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3. You may file first quarter 2006 returns on magnetic media or paper just as you have done in the past. The submission process will be unchanged from fourth quarter 2005. Alternatively, you may file using the new system if you are ready and able to do so.
4. Users will generally be required to use the new upload system (instead of magnetic media) beginning with second quarter returns (due July 2006) unless an exception has been granted by Maine Revenue Services.

Please note that ICESA file upload instructions have been posted to the MRS web site at <http://www.maine.gov/revenue/magmedia/magmedia.html>. This document includes a snapshot of each web page contained in the new system.

Also note that the following revisions have been made to the Maine ICESA file specifications:

- Negative amounts are now allowed in positions 123-133 and 175-185 in the T Record.
- Position 28-37 in the R Record is now optional. An account number is no longer required in this field.

The revised specifications are dated January 31, 2006 and have been posted on the MRS web site at www.maine.gov/revenue/magmedia/magmedia.html.

MRS is establishing an ICESA email listserv to keep you informed of future changes. If you would like to be added to this email distribution list, send an email request to icesa.tax@maine.gov with the phrase "ICESA Distribution List" in the reference line. Please send other questions or comments in a separate email.

For questions about this notice or about uploading ICESA files over the internet, including file specifications and exception requests, contact the MRS Withholding Unit via email at icesa.tax@maine.gov, or by phone at 207-626-8475 (select 1, then option 4 on the menu).